	Utech
Name:	
Roll No.:	In Summer (V. Samueladay Stad Carelland)
Invigilator's Signature :	

#### 2012

#### **ENGINEERING ECONOMICS**

Time Allotted: 3 Hours Full Marks: 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

# GROUP – A ( Multiple Choice Type Questions )

1. Choose the correct alternatives for any *ten* of the following:

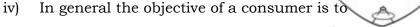
 $10 \times 1 = 10$ 

- i) When total utility is maximum, marginal utility is
  - a) positive
- b) negative

c) zero

- d) either zero or negative.
- ii) For two perfectly substitute goods an indifference curve is
  - a) L shaped
- b) convex to the origin
- c) concave to the origin
- d) straight line.
- iii) Perfect competition can be characterized by a
  - a) small No. of firms and product homogeneous
  - b) large No. of firms and product homogeneous
  - c) large No. of firms and product differentiation
  - d) single firm and product differentiation.

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- a) maximize the utility
- b) minimize the utility
- c) maximize the budget and minimize utility
- d) none of these.
- v) Production function depicts the relationship between
  - a) input and output
- b) demand and supply
- c) both (a) and (b)
- d) none of these.
- vi) Monopolistic competition can be characterised by a
  - a) small No. of firms and product homogeneous
  - b) large No. of firms and product differentiation
  - c) large No. of firms and product homogeneous
  - d) single firm and product differentiation.
- vii) Market equilibrium means
  - a) balance between demand & supply of a commodity
  - b) balance between elasticity of demand & elasticity of supply of a commodity
  - c) balance between price of a commodity and supply of a commodity
  - d) balance between No. of buyers and No. of sellers in the market.
- viii) Isoquant in general cases is
  - a) positively sloped
- b) L shaped
- c) negatively sloped
- d) none of these.
- ix) Elasticity of demand for a necessary good is
  - a) equal to one
- b) greater than one
- c) less than one
- d) zero.

- x) A monopolist operators when
  - a) Price elasticity of demand > 1
  - b) Price elasticity of demand < 1
  - c) Price elasticity of demand = 1
  - d) Price elasticity of demand = 0.
- xi) In order to control the inflation, RBI
  - a) decreases CRR
- b) increases CRR
- c) does not change CRR d)
  - decreases SLR.
- xii) If the cross elasticity of demand is negative then the commodities are
  - a) Giffen

- b) substitutes
- c) complements
- d) normal.
- xiii) The demand curve of the oligopolist has a kink because he expects
  - a) competitor's uncertain behaviour
  - b) competitor's certain behaviour
  - c) demand broken
  - d) none of these.

#### **GROUP - B**

#### (Short Answer Type Questions)

Answer any *three* of the following.

 $3 \times 5 = 15$ 

- 2. Why is supply curve upward rising and demand curve is downward sloping?
- 3. Define income elasticity of demand. What are the values of income elasticities for luxury and necessary goods?
- 4. Define the concept of GDP and GNP. Give example.
- 5. Write down the properties of indifference curves.
- 6. Define concept of elasticity.

#### **GROUP - C**

#### (Long Answer Type Questions)

Answer any three of the following.

 $3 \times 15 = 45$ 

- 7. a) Define National Income.
  - b) Describe the various methods of measuring National Income.
  - c) Mention the difficulties in counting National Income.

2 + 10 + 3

- 8. a) State the main features of perfect competition.
  - b) Explain the price and output determination under perfect competition. 5 + 10
- 9. a) Define the concept of liberalisation of Indian economy.
  - b) Discuss the advantages and disadvantages of privatization of Indian industries. 5 + 10
- 10. What is difference curve? What are the assumptions of indifference curve? Explain the properties of indifference curve. 2 + 5 + 8
- 11. Define concept of utility. Distinguish between two types of utility. Explain the law of diminishing marginal utility with assumptions. 2 + 3 + 10

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